



OHIO AUDITOR OF STATE
KEITH FABER



**SANDUSKY COUNTY COMBINED GENERAL HEALTH DISTRICT
SANDUSKY COUNTY
DECEMBER 31, 2019**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position – Cash Basis	9
Statement of Activities – Cash Basis	10
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances – Governmental Funds	11
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances – Governmental Funds	12
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual – Budget Basis – General Fund.....	13
Public Health Clinic Fund	14
Help Me Grow Fund	15
Notes to the Basic Financial Statements	16
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	31

This page intentionally left blank



One Government Center, Suite 1420
Toledo, Ohio 43604-2246
(419) 245-2811 or (800) 443-9276
NorthwestRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

Sandusky County Combined General Health District
Sandusky County
2000 Countryside Drive
Fremont, Ohio 43420-8560

To the Members of the Board:

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sandusky County Combined General Health District, Sandusky County, Ohio (the District), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Sandusky County Combined General Health District, Sandusky County, Ohio, as of December 31, 2019, and the respective changes in cash financial position and the respective budgetary comparison for the General, Public Health Clinic, and Help Me Grow funds thereof for the year then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Emphasis of Matter

As discussed in Note 15 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. We did not modify our opinion regarding this matter.

Other Matters

Other Information

We applied no procedures to management's discussion and analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2020, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State

Columbus, Ohio

September 24, 2020

**SANDUSKY COUNTY COMBINED GENERAL HEALTH DISTRICT
SANDUSKY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)**

The discussion and analysis of Sandusky County Combined General Health District's (the District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2019, within the limitations of the District's cash basis of accounting. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for the year 2019 are as follows:

- The District's net position increased \$337,010 or 25.42% from the prior year.
- General receipts accounted for \$753,787, or 23.26% of all receipts. Program specific receipts, in the form of charges for services and sales and operating grants and contributions, accounted for \$2,486,605, or 76.74% of total revenues of \$3,240,392.
- The District had \$2,903,382 in disbursements related to governmental activities; program-specific charges for services, grants and contributions offset only \$2,486,605 of these disbursements. General receipts of \$753,787 were adequate to provide for these programs.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as is applicable to the District's cash basis of accounting.

Report Components

The Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis provide information about the cash activities of the District as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Under the District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of the use of this cash basis of accounting, certain assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and the effects of these items on revenues and expenses are not recorded in these financial statements.

**SANDUSKY COUNTY COMBINED GENERAL HEALTH DISTRICT
SANDUSKY COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)
(Continued)

Reporting the District as a Whole

The Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis reflect how the District performed financially during 2019, within the limitations of the cash basis of accounting. The Statement of Net Position - Cash Basis presents the cash balances of the governmental activities of the District at year end. The Statement of Activities - Cash Basis compares disbursements with program receipts for each governmental activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of disbursements with program receipts identifies how each governmental function draws from the District's general receipts.

These statements report the District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, one can think of these changes as one way to measure the District's financial health. Over time, increases or decreases in the District's cash position is one indicator of whether the District's financial health is improving or deteriorating. When evaluating the District's financial condition, one should also consider other non-financial factors as well such as the District's property tax base, the condition of the District's capital assets, the reliance on non-local financial resources for operations and the need for continued growth.

The Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis present governmental activities, which include all the District's services. The District has no business-type activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the District's major funds - not the District as a whole. The District establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. All of the operating funds of the District are governmental.

Governmental Funds - The District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed short-term view of the District's governmental operations and the health services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the District's health programs. The District's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The District's major governmental funds are the General fund, the Public Health Clinic fund and the Help Me Grow fund. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**SANDUSKY COUNTY COMBINED GENERAL HEALTH DISTRICT
SANDUSKY COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)
(Continued)

The District as a Whole

Table 1 provides a summary of the District's net position cash basis at December 31, 2019 compared to December 31, 2018.

**Table 1
Net Position - Cash Basis**

	Governmental Activities	
	2019	2018
Assets		
Equity in pooled cash and cash equivalents	\$ 1,663,000	\$ 1,325,990
Net Position		
Restricted for:		
Environmental health	\$ 957,649	\$ 909,366
Unrestricted	705,351	416,624
Total Net Position	\$ 1,663,000	\$ 1,325,990

The District's net position increased \$337,010 from 2018 due to program receipts of \$2,486,605 and general receipts of \$753,787 exceeding current year disbursements of \$2,903,382.

In 2019, 23.26% of the District's total receipts were from general receipts, consisting mainly of property taxes levied for general District purposes. Program receipts accounted for 76.74% of the District's total receipts in 2019. These receipts consist primarily of charges for services for food service, family planning, wellness, help me grow, public health clinic and health and State and federal operating grants and contributions.

Health accounted for 21.20% of the District's total disbursements for 2019. These costs represent the costs to administer all programs not supported by special receipts.

Table 2 reflects the change in net position on a cash basis in 2019 as compared to 2018:

**SANDUSKY COUNTY COMBINED GENERAL HEALTH DISTRICT
SANDUSKY COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)
(Continued)

**Table 2
Changes in Net Position - Cash Basis**

	Governmental Activities	
	2019	2018
Receipts		
Program cash receipts:		
Charges for services and sales	\$ 1,433,394	\$ 1,311,747
Operating grants and contributions	1,053,211	996,987
Total program cash receipts	<u>2,486,605</u>	<u>2,308,734</u>
General receipts:		
Property taxes and other local taxes		
Levied for general Health District purposes	505,483	507,413
Grants and entitlements not restricted to specific programs	147,639	138,468
Miscellaneous	100,665	15,387
Total general receipts	<u>753,787</u>	<u>661,268</u>
Total Receipts	<u>3,240,392</u>	<u>2,970,002</u>
Disbursements		
Environmental health:		
Nursing	9,962	12,086
Trailer park	16,768	8,146
Food service	98,982	106,022
Water system	28,027	36,636
Swimming pool	20,289	7,690
Family planning	173,883	154,081
CFHS	63,850	49,363
WIC	271,492	263,505
Wellness	122,813	150,620
Public health emergency preparedness	56,620	74,951
Prevention partnership	58,533	17,575
Sewage treatment service	43,606	55,525
Smoke free workplace	1,121	568
Help me grow	189,184	163,044
Environmental and public health	28,850	10,434
Tobacco use prevention and cessation	44,263	52,760
Immunization action plan	39,524	28,518
Solid waste	31,119	38,417
Creating healthy communities	77,186	89,432
MHL capacity service	56,941	55,914
Moms quit for two	16,824	22,438
Ohio water pollution control loan	249,892	106,173
Public health clinic	442,776	444,397
Community health assessment	81,262	10,814
SPF-Partnership for success	59,103	-
PIRE	5,073	-
Health	615,439	787,649
Total Disbursements	<u>2,903,382</u>	<u>2,746,758</u>
Change in net position	337,010	223,244
Net position at beginning of year	<u>1,325,990</u>	<u>1,102,746</u>
Net position at end of year	<u>\$ 1,663,000</u>	<u>\$ 1,325,990</u>

**SANDUSKY COUNTY COMBINED GENERAL HEALTH DISTRICT
SANDUSKY COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)
(Continued)

Governmental Activities

The first column of the Statement of Activities - Cash Basis lists the major services provided by the District. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for environmental health and health, which account for 78.80% and 21.20% of all governmental disbursements, respectively. The "Program Cash Receipts" columns of the Statement of Activities - Cash Basis identify amounts paid by individuals who are directly charged for services and grants received by the District that must be used to provide a specific service. The net cost column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which is paid from money provided by local townships and municipalities, taxpayers and state subsidies. These net costs are paid from the general receipts. A comparison between the total cost of services and the net cost for both 2019 and 2018 is presented in Table 3, below.

**Table 3
Governmental Activities**

	Total Cost of Services 2019	Net Cost of Services 2019	Total Cost of Services 2018	Net Cost of Services 2018
Environmental health:				
Nursing	\$ 9,962	\$ 9,962	\$ 12,086	\$ 12,086
Trailer park	16,768	7,050	8,146	3,307
Food service	98,982	(27,019)	106,022	(1,312)
Water system	28,027	1,052	36,636	6,836
Swimming pool	20,289	11,589	7,690	(1,378)
Family planning	173,883	(28,032)	154,081	(13,148)
CFHS	63,850	46,837	49,363	(60,363)
WIC	271,492	1,044	263,505	(1,289)
Wellness	122,813	(12,855)	150,620	(31,256)
Public health emergency preparedness	56,620	(2,887)	74,951	(13,821)
Prevention partnership	58,533	26,013	17,575	(28,919)
Sewage treatment service	43,606	(24,309)	55,525	16,425
Smoke free workplace	1,121	996	568	(57)
Help me grow	189,184	(9,826)	163,044	(22,468)
Environmental and public health	28,850	3,850	10,434	(14,566)
Tobacco use prevention and cessation	44,263	(8,987)	52,760	(19,290)
Immunization action plan	39,524	4,824	28,518	4,203
Solid waste	31,119	25,274	38,417	28,153
Creating healthy communities	77,186	(10,493)	89,432	(17,511)
MHL capacity service	56,941	(3,495)	55,914	2,709
Moms quit for two	16,824	12,018	22,438	(14,264)
Ohio water pollution control loan	249,892	(22,232)	106,173	(1,060)
Public health clinic	442,776	(63,952)	444,397	(22,906)
Community health assessment	81,262	29,012	10,814	(34,186)
SPF-Partnership for success	59,103	(15,897)	-	-
PIRE	5,073	(927)	-	-
Health	615,439	468,167	787,649	662,099
Totals	\$ 2,903,382	\$ 416,777	\$ 2,746,758	\$ 438,024

**SANDUSKY COUNTY COMBINED GENERAL HEALTH DISTRICT
SANDUSKY COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)
(Continued)

The District's Funds

The District's governmental funds reported a combined fund balance of \$1,663,000, which is \$337,010 more than last years' total of \$1,325,990. That schedule below indicates the fund balance and the total change in fund balance as of December 31, 2019 and 2018.

	Fund Cash Balance <u>December 31, 2019</u>	Fund Cash Balance <u>December 31, 2018</u>	<u>Increase</u>
General	\$ 303,734	\$ 122,451	\$ 181,283
Public Health Clinic	245,401	108,945	136,456
Help Me Grow	223,537	213,711	9,826
Other nonmajor governmental funds	<u>890,328</u>	<u>880,883</u>	<u>9,445</u>
Total	<u>\$ 1,663,000</u>	<u>\$ 1,325,990</u>	<u>\$ 337,010</u>

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General fund.

The General fund's original and final budgeted receipts and other financing sources of \$788,769 were \$35,453 less than actual receipts of \$824,222. Original and final appropriated disbursements and other financing uses of \$795,200 were \$146,797 more than actual budgetary-basis disbursements and other financing uses of \$648,403.

Capital Assets

The District does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements.

Current Issues

The challenge for the District is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely on operating grants and are diligent in searching for new funding sources in order to allow our programs to continue. Charges for services and contract rates are analyzed to ensure to administer and carry out programs are covered.

Contacting the District's Financial Management

The financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to reflect the district's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Bryleigh Wolf, Director of Support Services Sandusky County Public Health, 2000 Countryside Drive, Fremont, Ohio 43420-8560.

**SANDUSKY COUNTY COMBINED GENERAL HEALTH DISTRICT
SANDUSKY COUNTY**

STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2019

	Governmental Activities
Assets	
Equity in pooled cash and cash equivalents	\$ 1,663,000
Net Cash Position	
Restricted for:	
Environmental health	\$ 957,649
Unrestricted.	705,351
Total net position	\$ 1,663,000

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SANDUSKY COUNTY COMBINED GENERAL HEALTH DISTRICT
SANDUSKY COUNTY**

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Program Cash Receipts</u>			<u>Net (Disbursements) Receipts and Changes in Net Position</u>
	<u>Disbursements</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities:				
Environmental health:				
Nursing	\$ 9,962	\$ -	\$ -	\$ (9,962)
Trailer park	16,768	9,718	-	(7,050)
Food service	98,982	126,001	-	27,019
Water system	28,027	26,975	-	(1,052)
Swimming pool	20,289	8,700	-	(11,589)
Family planning	173,883	104,984	96,931	28,032
CFHS	63,850	-	17,013	(46,837)
WIC	271,492	-	270,448	(1,044)
Wellness	122,813	135,668	-	12,855
Public health emergency preparedness	56,620	-	59,507	2,887
Prevention partnership	58,533	32,520	-	(26,013)
Sewage treatment service	43,606	67,915	-	24,309
Smoke free workplace	1,121	-	125	(996)
Help me grow	189,184	199,010	-	9,826
Environmental and public health	28,850	25,000	-	(3,850)
Tobacco use prevention and cessation	44,263	-	53,250	8,987
Immunization action plan	39,524	-	34,700	(4,824)
Solid waste	31,119	5,845	-	(25,274)
Creating healthy communities	77,186	-	87,679	10,493
MHL capacity service	56,941	60,436	-	3,495
Moms quit for two	16,824	-	4,806	(12,018)
Ohio water pollution control loan	249,892	57,380	214,744	22,232
Public health clinic	442,776	367,720	139,008	63,952
Community health assessment	81,262	52,250	-	(29,012)
SPF-Partnership for success	59,103	-	75,000	15,897
PIRE	5,073	6,000	-	927
Health.	<u>615,439</u>	<u>147,272</u>	<u>-</u>	<u>(468,167)</u>
Total governmental activities	<u>\$ 2,903,382</u>	<u>\$ 1,433,394</u>	<u>\$ 1,053,211</u>	<u>(416,777)</u>
General Receipts:				
Property taxes and other local taxes				
levied for general health district purposes				505,483
Grants and entitlements not restricted to specific programs.				147,639
Miscellaneous				100,665
Total general receipts.				<u>753,787</u>
Change in net position				337,010
Net position at beginning of year.				<u>1,325,990</u>
Net position at end of year				<u>\$ 1,663,000</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SANDUSKY COUNTY COMBINED GENERAL HEALTH DISTRICT
SANDUSKY COUNTY**

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	<u>General</u>	<u>Public Health Clinic</u>	<u>Help Me Grow</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Equity in pooled cash and cash equivalents.	\$ 303,734	\$ 245,401	\$ 223,537	\$ 890,328	\$ 1,663,000
Fund Balances					
Restricted:					
Environmental health:					
Nursing.	\$ -	\$ -	\$ -	\$ 1,785	\$ 1,785
Trailer park.	-	-	-	13,891	13,891
Food service.	-	-	-	38,458	38,458
Water system.	-	-	-	10,149	10,149
Swimming pool.	-	-	-	11,717	11,717
Family planning.	-	-	-	153,072	153,072
CFHS.	-	-	-	34,974	34,974
WIC.	-	-	-	41,277	41,277
Wellness.	-	-	-	68,274	68,274
Public health emergency preparedness.	-	-	-	15,505	15,505
SPF-SIG.	-	-	-	156	156
Prevention partnership.	-	-	-	17,259	17,259
Sewage treatment service.	-	-	-	40,214	40,214
Smoke free workplace.	-	-	-	2,849	2,849
Help me grow.	-	-	223,537	-	223,537
Environmental and public health.	-	-	-	76,320	76,320
Tobacco use prevention and cessation.	-	-	-	36,987	36,987
Immunization action plan.	-	-	-	17,200	17,200
Solid waste.	-	-	-	616	616
Creating healthy communities.	-	-	-	51,024	51,024
MHL capacity service	-	-	-	20,980	20,980
Moms quit for two	-	-	-	15,387	15,387
Ohio water pollution control loan	-	-	-	39,194	39,194
SPF-Partnership for success	-	-	-	25,897	25,897
PIRE.	-	-	-	927	927
Committed:					
Environmental health:					
Public health clinic.	-	245,401	-	-	245,401
Community health assessment.	-	-	-	156,216	156,216
Assigned:					
Encumbrances	5,464	-	-	-	5,464
Unassigned	298,270	-	-	-	298,270
Total fund balances.	<u>\$ 303,734</u>	<u>\$ 245,401</u>	<u>\$ 223,537</u>	<u>\$ 890,328</u>	<u>\$ 1,663,000</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SANDUSKY COUNTY COMBINED GENERAL HEALTH DISTRICT
SANDUSKY COUNTY**

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>General</u>	<u>Public Health Clinic</u>	<u>Help Me Grow</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Receipts					
Property taxes.	\$ 505,483	\$ -	\$ -	\$ -	\$ 505,483
Charges for services.	147,272	367,720	199,010	719,392	1,433,394
Intergovernmental.	147,639	139,008	-	914,203	1,200,850
Miscellaneous	23,828	72,504	-	4,333	100,665
Total receipts.	<u>824,222</u>	<u>579,232</u>	<u>199,010</u>	<u>1,637,928</u>	<u>3,240,392</u>
Disbursements					
Current:					
Environmental health:					
Nursing.	-	-	-	9,962	9,962
Trailer park.	-	-	-	16,768	16,768
Food service.	-	-	-	98,982	98,982
Water system.	-	-	-	28,027	28,027
Swimming pool.	-	-	-	20,289	20,289
Family planning.	-	-	-	173,883	173,883
CFHS.	-	-	-	63,850	63,850
WIC.	-	-	-	271,492	271,492
Wellness.	-	-	-	122,813	122,813
Public health emergency preparedness.	-	-	-	56,620	56,620
Prevention partnership.	-	-	-	58,533	58,533
Sewage treatment service.	-	-	-	43,606	43,606
Smoke free workplace.	-	-	-	1,121	1,121
Help me grow.	-	-	189,184	-	189,184
Environmental and public health.	-	-	-	28,850	28,850
Tobacco use prevention and cessation.	-	-	-	44,263	44,263
Immunization action plan.	-	-	-	39,524	39,524
Solid waste.	-	-	-	31,119	31,119
Creating healthy communities.	-	-	-	77,186	77,186
MHL capacity service	-	-	-	56,941	56,941
Moms quit for two	-	-	-	16,824	16,824
Ohio water pollution control loan	-	-	-	249,892	249,892
Public health clinic.	-	442,776	-	-	442,776
Community health assessment.	-	-	-	81,262	81,262
SPF-Partnership for success	-	-	-	59,103	59,103
PIRE.	-	-	-	5,073	5,073
Health.	<u>615,439</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>615,439</u>
Total disbursements	<u>615,439</u>	<u>442,776</u>	<u>189,184</u>	<u>1,655,983</u>	<u>2,903,382</u>
Excess (deficiency) of receipts over (under) disbursements.	<u>208,783</u>	<u>136,456</u>	<u>9,826</u>	<u>(18,055)</u>	<u>337,010</u>
Other financing sources (uses)					
Advances in	-	-	-	27,500	27,500
Advances (out)	<u>(27,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(27,500)</u>
Total other financing sources (uses).	<u>(27,500)</u>	<u>-</u>	<u>-</u>	<u>27,500</u>	<u>-</u>
Net change in fund balances	181,283	136,456	9,826	9,445	337,010
Fund balances at beginning of year.	<u>122,451</u>	<u>108,945</u>	<u>213,711</u>	<u>880,883</u>	<u>1,325,990</u>
Fund balances at end of year	<u>\$ 303,734</u>	<u>\$ 245,401</u>	<u>\$ 223,537</u>	<u>\$ 890,328</u>	<u>\$ 1,663,000</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SANDUSKY COUNTY COMBINED GENERAL HEALTH DISTRICT
SANDUSKY COUNTY**

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property taxes	\$ 522,744	\$ 522,744	\$ 505,483	\$ (17,261)
Charges for services	102,500	102,500	147,272	44,772
Intergovernmental	138,525	138,525	147,639	9,114
Miscellaneous	<u>5,000</u>	<u>5,000</u>	<u>23,828</u>	<u>18,828</u>
Total receipts	<u>768,769</u>	<u>768,769</u>	<u>824,222</u>	<u>55,453</u>
Disbursements				
Current:				
Health	<u>695,200</u>	<u>695,200</u>	<u>620,903</u>	<u>74,297</u>
Excess of receipts over disbursements	<u>73,569</u>	<u>73,569</u>	<u>203,319</u>	<u>129,750</u>
Other financing sources (uses)				
Transfers out	(15,000)	(15,000)	-	15,000
Advances in	20,000	20,000	-	(20,000)
Advances out	<u>(85,000)</u>	<u>(85,000)</u>	<u>(27,500)</u>	<u>57,500</u>
Total other financing sources (uses)	<u>(80,000)</u>	<u>(80,000)</u>	<u>(27,500)</u>	<u>52,500</u>
Net change in fund balance	(6,431)	(6,431)	175,819	182,250
Unencumbered fund balance at beginning of year	119,722	119,722	119,722	-
Prior year encumbrances appropriated	<u>2,729</u>	<u>2,729</u>	<u>2,729</u>	<u>-</u>
Unencumbered fund balance at end of year	<u>\$ 116,020</u>	<u>\$ 116,020</u>	<u>\$ 298,270</u>	<u>\$ 182,250</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SANDUSKY COUNTY COMBINED GENERAL HEALTH DISTRICT
SANDUSKY COUNTY**

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
PUBLIC HEALTH CLINIC FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Charges for services.	\$ 291,500	\$ 291,500	\$ 367,720	\$ 76,220
Intergovernmental	120,000	120,000	139,008	19,008
Miscellaneous	<u>7,500</u>	<u>79,142</u>	<u>72,504</u>	<u>(6,638)</u>
Total receipts.	<u>419,000</u>	<u>490,642</u>	<u>579,232</u>	<u>88,590</u>
Disbursements				
Current:				
Environmental health	<u>402,750</u>	<u>477,750</u>	<u>444,914</u>	<u>32,836</u>
Net change in fund balance	16,250	12,892	134,318	121,426
Unencumbered fund balance at beginning of year . .	104,156	104,156	104,156	-
Prior year encumbrances appropriated.	<u>4,789</u>	<u>4,789</u>	<u>4,789</u>	<u>-</u>
Unencumbered fund balance at end of year.	<u>\$ 125,195</u>	<u>\$ 121,837</u>	<u>\$ 243,263</u>	<u>\$ 121,426</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SANDUSKY COUNTY COMBINED GENERAL HEALTH DISTRICT
SANDUSKY COUNTY**

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
HELP ME GROW FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Charges for services	\$ 155,250	\$ 155,250	\$ 199,010	\$ 43,760
Disbursements				
Current:				
Environmental health	184,275	199,275	190,366	8,909
Excess (deficiency) of receipts over (under) disbursements.	(29,025)	(44,025)	8,644	52,669
Other financing (uses)				
Advances (out)	(125)	(125)	-	125
Net change in fund balance	(29,150)	(44,150)	8,644	52,794
Unencumbered fund balance at beginning of year. . .	213,301	213,301	213,301	-
Prior year encumbrances appropriated.	410	410	410	-
Unencumbered fund balance at end of year.	<u>\$ 184,561</u>	<u>\$ 169,561</u>	<u>\$ 222,355</u>	<u>\$ 52,794</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SANDUSKY COUNTY COMBINED GENERAL HEALTH DISTRICT
SANDUSKY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 - REPORTING ENTITY

Sandusky County Combined General Health District, Sandusky County, Ohio (the District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by an eight-member Board with one member appointed by the City of Clyde, two members appointed by the City of Fremont, four members appointed by the District Advisory Council and one member appointed by the District Licensing Advisory Council. The District is comprised of the primary government, component units and other organizations that were included to ensure the financial statements are not misleading.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. The District is responsible for the provisions of public health, the prevention or restriction of disease and the prevention, abatement and suppression of nuisances.

The Sandusky County Auditor acts as fiscal agent for the District and the Sandusky County Treasurer acts as custodian of all funds.

The District's management believes these financial statements present all activities for which the District is financially accountable.

B. Component Units

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization, or (4) the District is obligated for the debt of the organization. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the District, are accessible to the District and are significant in amount to the District and organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's basic financial statements to be misleading or incomplete. The District has no component units.

C. Risk Pools

The District participates in two public entity risk pools. These organizations are presented in Note 8 to the financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. The cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the District's accounting policies.

**SANDUSKY COUNTY COMBINED GENERAL HEALTH DISTRICT
SANDUSKY COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

A. Basis of Presentation

The District's basic financial statements consist of government-wide financial statements, including a statement of Net Position – Cash Basis, a Statement of Activities – Cash Basis, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The Statement of Net Position – Cash Basis and the Statement of Activities – Cash Basis display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The Statement of Net Position – Cash Basis presents the cash balance of the District at year end. The Statement of Activities – Cash Basis compares cash disbursements and program cash receipts for each program or function of the District's governmental activities. Cash disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the District is responsible. Program cash receipts include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational requirements of a particular program. Cash receipts which are not classified as program cash receipts are presented as general cash receipts of the District, with certain limited exceptions. The comparison of direct cash disbursements with program cash receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general cash receipts of the District.

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use.

Governmental Funds

Governmental funds are those through which most governmental functions of the District are financed. The following is the District's major governmental funds:

General Fund - The General fund is used to account for all financial resources, except those required to be accounted for in another fund. The General fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Public Health Clinic fund - The Public Health Clinic fund is used to account charges for services and intergovernmental revenues used to provide immunization clinics to citizens.

**SANDUSKY COUNTY COMBINED GENERAL HEALTH DISTRICT
SANDUSKY COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

Help Me Grow fund - The Help Me Grow fund is used to account for charges for services to address the need for home-visiting services for young children and their families.

The other governmental funds of the District are used to account for and report grants and other resources, the use of which is restricted for a particular purpose.

C. Basis of Accounting

The District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when incurred.

As a result of the use of this cash basis of accounting, certain assets, deferred outflows of resources, liabilities, deferred inflows of resources, and the effects of these items on revenues and expenses are not recorded in these financial statements.

D. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for exist or increased tax rates. The certificate of estimated resources establishes a limit on the amount the District may appropriate.

The appropriations resolution is the District's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the District. The legal level of control has been established at the object level for all funds.

ORC Section 5705.28(C)(1) requires the Health District to file an estimate of contemplated revenue and expenses with the municipalities and townships within the Health District by about June 1 (forty-five days prior to July 15). The county auditor cannot allocate property taxes from the municipalities and townships within the district if the filing has not been made.

ORC Section 3709.28 establishes budgetary requirements for the Health District, which are similar to ORC Chapter 5705 budgetary requirements. On or about the first Monday of April the Health District must adopt an itemized appropriation measure. The appropriation measure, together with an itemized estimate of revenues to be collected during the next fiscal year, shall be certified to the county budget commission. Subject to estimated resources, the Board of Health may, by resolution, transfer appropriations from one appropriation item to another, reduce or increase any item, create new items, and make additional appropriations or reduce the total appropriation. Such appropriation modifications shall be certified to the county budget commission for approval.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the District. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the District.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for the fund that covered the entire year, including

**SANDUSKY COUNTY COMBINED GENERAL HEALTH DISTRICT
SANDUSKY COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the District during the year.

E. Cash and Investments

In accordance with Ohio Revised Code, the District's cash is held and invested by the Sandusky County Treasurer, who acts as custodian for the District's monies. The District's assets are held in the County Treasurer's cash and investment pool, and are valued at the Treasurer's reported carrying amount. Individual fund integrity is maintained through District records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

F. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation.

G. Inventory and Prepaid Items

The District reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

I. Interfund Receivables/Payables

The District reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

J. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the District's cash basis of accounting.

K. Employer Contributions to Cost-Sharing Pension Plans

The District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Note 9 and 10, the employer contribution include portions for pension benefits and for postretirement health care benefits.

L. Net Position

Net cash position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net cash position restricted for environmental health includes resources restricted for grants for specific purposes.

**SANDUSKY COUNTY COMBINED GENERAL HEALTH DISTRICT
SANDUSKY COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

The District's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position is available.

M. Fund Cash Balance

Fund cash balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund cash balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The District had no nonspendable balance at December 31, 2019.

Restricted - Fund cash balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund cash balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the District (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund cash balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund cash balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In the General fund, assigned amounts include those approved through the District's formal purchasing procedure and those required for subsequent year appropriations.

Unassigned - Unassigned fund cash balance is the residual classification for the General fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when disbursements are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund cash balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when disbursements are incurred for purposes for which amounts in any of the unrestricted fund cash balance classifications could be used.

N. Interfund Transactions

Transfers between governmental funds are eliminated on the government-wide financial statements.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

**SANDUSKY COUNTY COMBINED GENERAL HEALTH DISTRICT
SANDUSKY COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For 2019, the District has implemented GASB Statement No. 83, “Certain Asset Retirement Obligations”, GASB Statement No. 84 “Fiduciary Activities”, GASB Statement No. 88, “Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements” and GASB Statement No. 90 “Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61”.

GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. The implementation of GASB Statement No. 83 did not have an effect on the financial statements of the District.

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. The District did not have any fiduciary funds as of December 31, 2019. The implementation of GASB Statement No. 84 did not have an effect on the financial statements of the District.

GASB Statement No. 88 improves the information that is disclosed in notes to the basic financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The implementation of GASB Statement No. 88 did not have an effect on the financial statements of the District.

GASB Statement No. 90 improves consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations. This Statement also provides guidance for reporting a component unit if a government acquires a 100 percent equity interest in that component unit. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the District.

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While the District is reporting financial position, results of operations and changes in fund balances on the cash basis, the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The budgetary comparison schedule presented for the General fund and the major special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements (budgetary-basis) rather than assigned, committed or restricted fund balance (cash-basis).

The following table summarizes the adjustments necessary to reconcile the cash basis statement to the budgetary basis statements:

	Fund Balance		
	General	Public Health Clinic	Help Me Grow
Cash basis	\$ 303,734	\$ 245,401	\$ 223,537
Adjustment for encumbrances	(5,464)	(2,138)	(1,182)
Budgetary basis	\$ 298,270	\$ 243,263	\$ 222,355

**SANDUSKY COUNTY COMBINED GENERAL HEALTH DISTRICT
SANDUSKY COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

NOTE 5 - DEPOSITS AND INVESTMENTS

The Sandusky County Treasurer maintains a cash pool used by all funds, including those of the District. The Ohio Revised Code prescribes allowable deposits and investments. The District's carrying amount of cash on deposit with the County at December 31, 2019, was \$1,663,000. The Sandusky County Treasurer, as fiscal agent for the District, is responsible for maintaining adequate depository collateral for all funds in the County's pooled and deposited accounts.

NOTE 6 - INTERFUND TRANSACTIONS

Advances

Interfund advances for the year ended December 31, 2019, consisted of the following, as reported on the fund statements:

Advances from the General fund to:

Nonmajor governmental funds	<u>\$ 27,500</u>
-----------------------------	------------------

The primary purpose of the interfund advances is to cover costs in specific funds where revenues were not received by December 31. These interfund advances are also made to repay advances made in the prior fiscal year from the General fund.

Interfund advances between governmental funds are eliminated on the government-wide financial statements.

NOTE 7 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility property located in the District. Real property tax receipts received in 2019 represent the collection of 2018 taxes. Real property taxes and public utility taxes are levied after October 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by state law at 35% of appraised market value. Real property taxes are payable annually or semiannually. The first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property taxes are assessed on real estate, land and improvements are assessed at 35% of appraised market value.

The assessed value upon which 2019 taxes were collected was \$1,228,048,790. The full rate for all District operations applied to real property for fiscal year ended December 31, 2019, was \$.50 per \$1,000 of assessed valuation. The assessed values of real and tangible personal property upon which 2019 property tax receipts were based are as follows:

**SANDUSKY COUNTY COMBINED GENERAL HEALTH DISTRICT
SANDUSKY COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

<u>Real property</u>	
Agricultural/Residential	\$ 932,909,650
Commercial/Industrial/Mineral	191,429,280
 <u>Public Utility</u>	
Real	691,470
Personal	<u>103,018,390</u>
Total assessed valuation	<u>\$ 1,228,048,790</u>

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits to the taxing districts their portions of the taxes collected.

NOTE 8 - RISK MANAGEMENT

A. Risk Pool Membership

The District is exposed to various risks of property and casualty losses, and injuries to employees.

The District insures against injuries to employees through the Ohio Bureau of Worker’s Compensation.

The District is a member of the Public Entities Pool of Ohio (the Pool). The Pool assumes the risk of loss up to the limits of the District’s policy. The Pool covers the following risks:

- General liability and casualty
- Public official’s liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liability available to pay those liabilities as of December 31:

	2019
Cash and investments	\$ 38,432,610
Actuarial liabilities	14,705,917

B. Insurance Purchasing Pool

For 2019, the County Commissioners participated in the County Commissioners Association of Ohio Workers’ Compensation Group Rating Plan (Plan), as insurance purchasing pool. The Plan is intended to achieve lower workers compensation rates while establishing safer working conditions and environments for the participants. The workers compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers’ compensation premium to the State based on the rate for the Plan rather than its individual rate. In order to allocate the savings derived by formation of the Plan, and to maximize the number of participants in the Plan, the Plan’s executive committee annually calculates the total

**SANDUSKY COUNTY COMBINED GENERAL HEALTH DISTRICT
SANDUSKY COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants.

Participation in the Plan is limited to counties that can meet the Plan's selection criteria. The firm of Comp Management, Inc. provides administrative, cost controls, and actuarial services to the Plan. Each year, the County Commissioners pays an enrollment fee to the Plan to cover the costs of administering the program.

The County Commissioners may withdraw from the Plan if written notice is provided sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers' Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the Plan prior to withdrawal, and any participant leaving the Plan allows representatives of the Plan to access loss experience for three years following the last year of participation.

NOTE 9 - DEFINED BENEFIT PENSION PLAN

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - District employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. District employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS' Traditional Pension Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Pension Plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the Traditional Pension Plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

**SANDUSKY COUNTY COMBINED GENERAL HEALTH DISTRICT
SANDUSKY COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

Final Average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member's FAS for the first 30 years of service.

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.00% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3.00% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

**SANDUSKY COUNTY COMBINED GENERAL HEALTH DISTRICT
SANDUSKY COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2019 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2019 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits **	0.0 %
Total Employer	14.0 %
Employee	10.0 %

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance

** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The District's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$301,346 for 2019.

NOTE 10 - POSTEMPLOYMENT BENEFIT PLAN

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

**SANDUSKY COUNTY COMBINED GENERAL HEALTH DISTRICT
SANDUSKY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)**

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care was 0.00% for the Traditional and Combined plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

For 2019, OPERS did not allocate any employer contributions to post-employment health care.

NOTE 11 - CONTINGENT GRANTS

The District receives significant financial assistance from numerous federal, state, and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District; however, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

NOTE 12 - INTERGOVERNMENTAL FUNDING

The County apportions the excess of the District's appropriations over other estimated receipts for the subdivision composing the District, based on their taxable property valuations. The County withholds the apportioned excess from property tax settlements and distributes it to the District. The financial statements present these amounts as intergovernmental receipts.

NOTE 13 - COMMITMENTS

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are reservations of fund balance for subsequent-year expenditures and may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the District's commitments for encumbrances in the governmental funds were as follows:

**SANDUSKY COUNTY COMBINED GENERAL HEALTH DISTRICT
SANDUSKY COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

Fund:	Year-End Encumbrances
General fund	\$ 5,464
Public health clinic fund	2,138
Help me grow fund	1,182
Other nonmajor governmental funds	7,096
Total	\$ 15,880

NOTE 14 - TAX ABATEMENT AGREEMENTS ENTERED INTO BY OTHER GOVERNMENTS

Other governments entered into property tax abatement agreements with property owners under two programs - Community Reinvestment Area (CRA) and Enterprise Zone (Ezone). These programs relate to the abatement of property taxes.

CRA - Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA's are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill.

Ezone - Under the authority of ORC Sections 5709.62 and 5709.63, the Ezone program is an economic development tool administered by municipal and county governments that provides real and personal property tax exemptions to businesses making investments in Ohio. An Ezone is a designated area of land in which businesses can receive tax incentives in the form of tax exemptions on qualifying new investment.

An Ezone's geographic area is identified by the local government involved in the creation of the zone. Once the zone is defined, the local legislative authority participating in the creation must petition the OSDA. The OSDA must then certify the area for it to become an active Enterprise Zone. The local legislative authority negotiates the terms of the Enterprise Zone Agreement (the Agreement) with the business, which may include tax sharing with the Board of Education. Legislation must then be passed to approve the Agreement. All Agreements must be finalized before the project begins and may contain provisions for the recoupment of taxes should the individual or entity fail to perform. The amount of the abatement is deducted from the business's property tax bill.

Sandusky County has entered into the following tax abatement agreements for the abatement of real property taxes:

- Ezone agreement between the County, the City of Ballville, the City of Fremont and Fremont City School District
- Ezone agreement between the County, Madison Township, the Village of Gibsonburg and Gibsonburg EVSD
- Ezone agreement between the County, the City of Clyde, and Clyde EVSD
- CRA agreements entered into by the City of Bellevue, the City of Fremont and Fremont City School District

**SANDUSKY COUNTY COMBINED GENERAL HEALTH DISTRICT
SANDUSKY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)**

Under these agreements, the District's property taxes were reduced by \$11,488. The District is not receiving any amounts from these other governments in association with the forgone property tax revenue.

NOTE 15 - SUBSEQUENT EVENTS

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. In addition, the impact on the District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



One Government Center, Suite 1420
Toledo, Ohio 43604-2246
(419) 245-2811 or (800) 443-9276
NorthwestRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Sandusky County Combined General Health District
Sandusky County
2000 Countryside Drive
Fremont, Ohio 43420-8560

To the Members of the Board:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sandusky County Combined General Health District, Sandusky County, Ohio (the District) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 24, 2020 wherein we noted the District uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State

Columbus, Ohio

September 24, 2020

OHIO AUDITOR OF STATE KEITH FABER



SANDUSKY COUNTY COMBINED GENERAL HEALTH DISTRICT

SANDUSKY COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 10/8/2020

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov